



**State of New Hampshire
Consumer Protection and
Antitrust Bureau**

Volume 1 Issue 3

- Can NH consumers cancel a sales contract after the fact? The Right of Rescission in New Hampshire only applies in a few limited circumstances.
- Don't be scammed by people who want to send you a free credit report!

WE'RE ON THE WEB AT

WWW.DOJ.NH.GOV/CONSUMER

The Consumer **ADVOCATE**

Littleton Chevrolet charged with deceptive business practice violations

Attorney General Kelly A. Ayotte announced that Littleton Chevrolet, Inc. has entered a plea of nolo contendere to a violation alleging it engaged in a deceptive business practice arising out of the repair of a motor vehicle involved in an automobile collision.

Littleton Chevrolet provided an estimate for body repair work on a vehicle that was damaged in a collision. The estimate from Littleton Chevrolet called for the replacement of certain parts. Instead of replacing certain parts, the dealership repaired existing components without prior approval of the consumer. The consumer was billed for the purchase of new parts that were not used in the repair of the vehicle. Because the con-

sumer was billed for new parts when the dealership did not install new parts, Littleton Chevrolet was charged with one violation of deceptive business practices under RSA 638:6. As a result of the plea, Littleton Chevrolet was fined \$1,000.

Attorney General Ayotte stated, "Working closely with the Bureau of Highway Patrol, the State was able to obtain this conviction in a clear case of a deceptive business practice." Attorney General Ayotte went on to say, "This case demonstrates that anyone who engages in unfair or deceptive trade practices will be subject to civil or criminal penalties. The State will continue to take action against businesses that deceive and victimize consumers."

Judgment in Simon Malls gift card case - cards violate NH Consumer Protection Act

Attorney General Kelly A. Ayotte announced that the Merrimack County Superior Court has ruled that the gift card sold by Simon Property Group in the Mall of New Hampshire, Pheasant Lane Mall, and the Mall at Rockingham Park violates the Consumer Protection Act.

According to the Attorney General, New Hampshire's Consumer Protection Act forbids the sale of gift certificates that expire, or that have fees associated with them that reduce the value of the gift certificate. The Court ruled earlier this year that the Simon Gift Card is a gift certificate under New Hampshire law, Attorney General Ayotte explained. In its ruling, the Court agreed that because the Simon Gift Card expires, and because it carries fees that reduce the value of the card over time,

it violates the State's gift certificate law.

Attorney General Ayotte went on to say, however, that despite the Court's ruling, the Simon Gift Card may still be sold in New Hampshire because the Court stayed any enforcement proceedings pending the outcome of a related case in Federal District Court in Concord. In that matter, Simon has asked the federal court to block any enforcement by New Hampshire saying that its card is not subject to New Hampshire's gift certificate law because the Simon Gift Card is the product of a national bank, and therefore federal law preempts any state law on the matter. Simon has also said that enforcement of the New Hampshire gift certificate law would violate the Commerce Clause of the U.S. Constitution.

Free credit reports — Consumer beware!

September is here and finally you can log on and get your own credit report and the best part is ... it's free! Free credit reports can be obtained on-line at www.annualcreditreport.com.

Like all big news events, good and bad, this one comes with its fair share of scams and shams and people who want to take advantage of consumers.

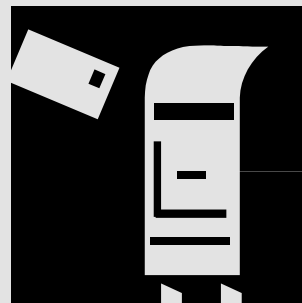
The Federal Trade Commission (FTC) has released a consumer alert about fake credit report sites and says, "*this is a high-tech scam that uses fraudulent web sites to deceive consumers into disclosing their credit card numbers, bank account information, social security numbers, passwords, and other sensitive information.*"

The following precautions are recommended when visiting Internet sites or responding to email that offer credit reports:

- If you get an email offering a credit report, don't reply or click on the link in the email. Instead, contact the company cited in the email using a telephone number or Web site address you know to be genuine.
- Be skeptical of unsolicited email offering credit reports. Keep an eye out for email from an atypical address, such as XYZ123@website.net, or an email address ending in a top level domain other than .com.
- Check whether the company has a working telephone number and legitimate address. You can verify addresses at Web sites (such as www.switchboard.com); phone numbers can be researched through reverse lookup search engines such as www.anywho.com.
- Check for misspellings and grammatical errors. Silly mistakes and sloppy copy - for example, an area code that does not match an address - are often giveaways that the site is a scam. Look at the company's Web address: Is it a real company's address or it is a misspelled version of a legitimate company's Web address?
- Check to see whether the email address matches the Web site address. That is, when you enter the company's Web address, does it go to the sender's site or re-direct you to a different Web address? If it re-directs you, that's a red flag that you should cease the transaction.
- Use only secure Web sites. Look for the "lock" icon on the browser's status bar, and the phrase "https" in the URL address for a Web site, to be sure your information is secure during transmission.
- Watch your mailbox and credit card statements: If you've responded to a bogus site, you may never receive the free credit report they offered. If you find that you have unauthorized charges, contact your financial institutions and credit card issuers immediately.
- Report suspicious activity to the FTC and the U.S. Secret Service. Send the actual spam to the Los Angeles Electronic Crimes Task Force at ECTF.reports@ussf.dhs.gov and to the FTC at spam@uce.gov. If you believe you've been scammed, file your complaint at www.ftc.gov, and then visit the FTC's Identity Theft Web site (www.consumer.gov/idtheft) to learn how to minimize your risk of damage from identity theft.

To obtain your free annual credit report

- ♦ log on to www.annualcreditreport.com
- ♦ write to
Annual Report Request Service
PO Box 105283
Atlanta, GA 30348-5283
- ♦ or call toll free: 1-877-322-8228





Ask Ms. Consumer Protection

The facts about right of rescission

Q. Do New Hampshire Consumers have a right to cancel a sale after the fact?

A. *New Hampshire consumers are often under the mistaken impression that they are protected by a state law that provides them with a right of rescission, or cooling off period, after they enter into a sales contract for the purchase of goods or services. New Hampshire does not have a law that protects consumers by providing a rescission period on retail purchases; however, there are only a few limited transactions that are subject to a right of cancellation.*

Door-to-door sales RSA Chapter 361-B:2.

Consumers are entitled to cancel a transaction up to three business days from the date of the transaction if a purchase is made from a door-to-door salesman. Both the Federal Trade Commission (FTC) and New Hampshire Statute RSA 361-B:2 allow consumers a “cooling off” period when they purchase goods or services worth more than \$25 from a place other than the seller’s permanent place of business. This may include flea markets, roadside stands, hotel conference rooms, country fairs. The seller must give the buyer either a written receipt or written contract outlining the right to rescind the purchase, and the writing must be in the same language in which the sale was made. The buyer must receive the following information in a home solicitation contract: the seller’s name and place of business; the date of the transaction; a description of the goods and/or services purchased; the amount of money paid and the value of the goods/services delivered; and a description of the right to rescind, including the following statement: **ANY BUYER MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION.**

Membership to a health club or martial arts club.

RSA Chapter 358-I:3. Every purchaser of a prepaid membership shall be entitled to cancel his or her contract within three business days by notifying the health club in writing by midnight of the third business day following the date of purchase of the membership contract. Written notification is deemed given if postmarked or delivered by midnight of the third business day.

Credit repair service RSA Chapter 359-D:6. All credit service organization contracts must contain an explicit statement (printed in at least 10-point boldface type and positioned next to or above the customer’s signature line) of the customer’s unqualified right to cancel the contract within five business days after signing. The contract must also be accompanied by a preprinted, multi-part “Notice of Cancellation” which the consumer may use to exercise this right.

Timeshares, Condominiums, Subdivisions RSA Chapters 356-A:4 and 356-B:50. Buyers of timeshares, condominiums of more than 10 units, or lots in a subdivision of 50 lots or more, who enter into a purchase and sale agreement, have an unqualified right to cancel the agreement within five calendar days from the date of disposition, or the delivery of the current public offering statement, whichever is later. Such cancellation shall be without penalty, and any deposit made by the purchaser shall be refunded in its entirety no later than 10 days from the receipt of the notice of cancellation.

Credit transactions involving a security interest in your home. The Federal Truth In Lending Act (TILA) provides an absolute right to rescind credit transactions involving a security interest in your home, such as a second mortgage, home equity line of credit, a refinance of a primary residence or home improvement mortgage. The consumer may cancel the transaction until midnight of the third business day after receiving notice or signing the documents, whichever is later, to cancel the transaction without incurring any liability.

The Consumer Protection and Antitrust Bureau of the New Hampshire Attorney General’s Office protects consumers against unfair or deceptive trade practices in the State of New Hampshire. If you think you have been denied your statutory right to cancel a transaction in any of the above circumstances, contact our office by mail at 33 Capitol Street, Concord, NH 03301; by telephone at (603) 271-3641 or toll free at 1-888-468-4454; or log on to our website at www.doj.nh.gov and download a consumer complaint form.

Phone: 603-271-3641
Toll Free 1-888-468-4454
Fax: 603-223-6202
WWW.DOI.NH.GOV/CONSUMER

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CONCORD, NEW HAMPSHIRE 03301



The New Hampshire Consumer Protection and Antitrust Bureau

The Consumer Protection and Antitrust Bureau protects consumers from unfair or deceptive business practices in New Hampshire. When businesses misrepresent, do not provide services, or provide poor quality services or products to consumers, the Consumer Protection and Antitrust Bureau will question the business's practices, and may, if necessary, take the business to court and seek civil or criminal sanctions.

The staff of the Consumer Protection and Antitrust Bureau takes phone calls from 8 a.m. to 5 p.m. each weekday. The Consumer Hotline can be reached at (603) 271-3641 or toll free at 1-888-468-4454. While this Bureau cannot offer legal advice, we can often offer suggestions to help resolve complaints between consumers and businesses, and we have a list of referral offices that are helpful with specific types of complaints.

This newsletter does not provide any legal advice and is not a substitute for the procurement of such services from a legal professional.
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